

## Exhibit 300: Capital Asset Summary

### Part I: Summary Information And Justification (All Capital Assets)

#### Section A: Overview & Summary Information

**Date Investment First Submitted:** 2009-06-30  
**Date of Last Change to Activities:** 2012-08-14  
**Investment Auto Submission Date:** 2012-02-27  
**Date of Last Investment Detail Update:** 2011-09-16  
**Date of Last Exhibit 300A Update:** 2012-02-27  
**Date of Last Revision:** 2012-08-14

**Agency:** 029 - Department of Veterans Affairs      **Bureau:** 00 - Agency-Wide Activity

**Investment Part Code:** 01

**Investment Category:** 00 - Agency Investments

**1. Name of this Investment:** Benefits Legacy VETSNET

**2. Unique Investment Identifier (Ull):** 029-666666264

#### Section B: Investment Detail

- 1. Provide a brief summary of the investment, including a brief description of the related benefit to the mission delivery and management support areas, and the primary beneficiary(ies) of the investment. Include an explanation of any dependencies between this investment and other investments.**

VETSNET is a critical component of the Veteran Benefits Agency as the authoritative corporate data source that will enable enterprise services delivery capability in support of two of the strategic VA 16 major initiatives (MI): (1) Initiative #2 to enable 21st century benefits delivery and services via the Veterans Benefits Management System (VBMS) and (2) Initiative #3 to automate GI Bill Benefits (GIBILL). VETSNET will provide rule-based processing for awards, facilitating the elimination of routine manual work, automating pension, and categorizing income and adjustments for Veterans. The automated capabilities reduce development errors that result in delayed claim processing, creating cost savings by efficiently maximizing VA resources and by enabling efficient data processing and accurate payment to Veterans. VETSNET Financial Accounting System (FAS) pays out Automated GI Bill claims. VETSNET will also provide service connected compensable payouts, such as veterans receiving compensation under the Agent Orange Program. Combat Related Service Compensation (CRSC) computations will be phased into the corporate database for new claims to determine VA and Department of Defense services payout. VETSNET plays an important role outside of VA as well, as state agencies, such as Departments of Labor, Energy and Transportation, have a dependency on key data from the VETSNET corporate database. VETSNET is targeted to replace the legacy Benefits Delivery Network (BDN). BDN has passed its systems life cycle, with few remaining tools and resources available to

support the system. Additionally, various material weaknesses have been identified related to BDN's lack of compliance with the government-wide Standard General Ledger, lack of an automated audit trail, and other shortcomings such as ineffective system messages supporting controls over payment errors. Program success in FY13 will be determined through metrics such as system availability and turnaround times for benefit payments. VETSNET is an interim solution that will be replaced by Paperless therefore creating interdependency between the investments.

**2. How does this investment close in part or in whole any identified performance gap in support of the mission delivery and management support areas? Include an assessment of the program impact if this investment isn't fully funded.**

Since 1996, VA has focused on replacing the compensation and pension program functions within its aging Benefits Delivery Network (BDN) with VETSNET. VETSNET is a suite of applications to facilitate the administration of benefit programs and provide users with the data needed to make informed business decisions. Automated data exchanges with connecting systems to form "One VA" system will allow for faster retrieval of information critical to adjudicate and process benefit claims. Over the past 14 years, VA's system development efforts have resulted in substantial improvements in the functionality and performance of VETSNET applications. In April 2008, VETSNET became the core business application and payment system for compensation benefits. Because of the functionality enhancements, more than four million veterans now receive compensation and pension payments through VETSNET. VA estimates this represents 99 percent of all veterans' compensation claims and 94 percent of all veterans' pension claims. The identified performance gap is related to cases that have not converted, which involves approximately 50,000 active dependency and indemnity compensation (DIC) cases. Conversion of Chapter 31 cases (Vocational Rehab and Education) will also begin although those are older records. Some Apportionment cases (where part of the veterans benefits are paid to someone else, typically to care for a child not in the veteran's custody) as well as parents DIC (a Pension benefit) and additional miscellaneous cases where conversion couldn't be easily automated are still being paid on BDN. This is represented in a gap of 1% in comp and 6% in pension. VETSNET Currently pays more veterans and beneficiaries than BDN did at its peak, which is more than was anticipated when it was designed. There is a time savings when compared to BDN as most of the information was not entered into the system. The users had to pull paper files in order to address issues, which meant routinely taking days to respond to requests. This also meant that automated exchanges with other agencies were very limited. VETSNET added significantly more electronic information, but still has been forced to occasionally manually pull files for specific requests. Approximately 1% of beneficiaries are being paid (mostly Parents DIC) through BDN, as VETSNET is unable to handle them at this time. This performance gap will be addressed with the VR12 release scheduled for Oct , 2011 - Deployment to Production).

**3. Provide a list of this investment's accomplishments in the prior year (PY), including projects or useful components/project segments completed, new functionality added, or operational efficiency achieved.**

In FY2011 VETSNET Releases 10 and 11 provided Chapter 18 (Benefits for children of Vietnam Veterans that are born with Spina Bifida) and Chapter 31 (Vocational Rehabilitation), as well as Combat Related Special Compensation (CRSC) benefit payments. In addition, web

services enable VETSNET to pay Veterans per the Treasury Department's mandate to phase out paper payments and for all payments to be made by Electric Funds Transfer (EFT).

**4. Provide a list of planned accomplishments for current year (CY) and budget year (BY).**

In 2012 the primary scope will be the application changes required to support the final conversion of Compensation and Pension (C&P) records from the Benefits Delivery Network (BDN) to the Veterans Benefit Administration (VBA) Corporate Database. VETSNET will begin processing and paying VHA's Caregivers benefit. In 2013 VETSNET will continue to support the development of web services for internal and external customers as well as the public at large to provide secure online web interfaces until VBMS is fully operational.

**5. Provide the date of the Charter establishing the required Integrated Program Team (IPT) for this investment. An IPT must always include, but is not limited to: a qualified fully-dedicated IT program manager, a contract specialist, an information technology specialist, a security specialist and a business process owner before OMB will approve this program investment budget. IT Program Manager, Business Process Owner and Contract Specialist must be Government Employees.**

2009-06-10

## Section C: Summary of Funding (Budget Authority for Capital Assets)

1.

Table I.C.1 Summary of Funding

	PY-1 & Prior	PY 2011	CY 2012	BY 2013
Planning Costs:	\$1.7	\$0.0	\$0.0	\$0.0
DME (Excluding Planning) Costs:	\$22.9	\$33.3	\$17.8	\$17.8
DME (Including Planning) Govt. FTEs:	\$9.2	\$7.2	\$3.8	\$6.6
Sub-Total DME (Including Govt. FTE):	\$33.8	\$40.5	\$21.6	\$24.4
O & M Costs:	\$0.0	\$2.9	\$5.1	\$2.9
O & M Govt. FTEs:	\$0.0	\$1.3	\$3.6	\$1.1
Sub-Total O & M Costs (Including Govt. FTE):	0	\$4.2	\$8.7	\$4.0
Total Cost (Including Govt. FTE):	\$33.8	\$44.7	\$30.3	\$28.4
Total Govt. FTE costs:	\$9.2	\$8.5	\$7.4	\$7.7
# of FTE rep by costs:	72	65	65	65
Total change from prior year final President's Budget (\$)		\$26.2	\$-4.4	
Total change from prior year final President's Budget (%)		142.02%	-12.69%	

**2. If the funding levels have changed from the FY 2012 President's Budget request for PY or CY, briefly explain those changes:**

In FY2011 VETSNET was supplemented by \$6.4 million from the VBMS Paperless project in order to continue unfunded development services. Product Development identified funding to support the required software development of the VETSNET Legacy system in the amount of \$18 million. In FY2012, as the program progresses towards retirement additional funding has been provided to support functional requirements needed to move from development to sustainment activities and its associated costs.

## Section D: Acquisition/Contract Strategy (All Capital Assets)

Table I.D.1 Contracts and Acquisition Strategy

Contract Type	EVM Required	Contracting Agency ID	Procurement Instrument Identifier (PIID)	Indefinite Delivery Vehicle (IDV) Reference ID	IDV Agency ID	Solicitation ID	Ultimate Contract Value (\$M)	Type	PBSA ?	Effective Date	Actual or Expected End Date
Awarded	3600	VA798A100283	V97049A3GP07 2	3600							
Awarded	3600	<a href="#">VA101G67071</a>	GS35F4461G	4730							
Awarded	3600	<a href="#">VA11810F0026</a>	GS06F0509Z	4730							
Awarded	3600	<a href="#">VA11810F0004</a>	GS06F0529Z	4730							
Awarded	3600	<a href="#">VA11811P0029</a>									
Awarded	3600	<a href="#">VA11811F0312</a>	NNG07DA20B	8000							

**2. If earned value is not required or will not be a contract requirement for any of the contracts or task orders above, explain why:**

An interagency franchise fee for infrastructure support, which is managed under an external managed services contract, monitor s cost and schedule performance in conformance with ANSI 748 guidelines. As a result this investment does not require EVM tracking for firm fixed price task orders.

## Exhibit 300B: Performance Measurement Report

### Section A: General Information

**Date of Last Change to Activities:** 2012-08-14

### Section B: Project Execution Data

**Table II.B.1 Projects**

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost (\$M)
1010270604	VETSNET Release Management - VR 13	VETSNET Release 13 will be application changes required to support the final conversion of Compensation and Pension records from the Benefits Delivery Network to the Veterans Benefit Administration Corporate Database. VETSNET will fix any defects identified with the previous release and deliver new functionality such as Consolidated Payees (Multiple Payments going to a fiduciary), address dairy issues for periodic review of cases as necessary and continue web service development; also Phase 2 of Treasurys Debit Card Program (no more paper checks).			
1010270603	VETSNET Release Management - VR14	The primary objective for the SEP 2012 release is to allow for an October conversion of remaining BDN data. VETSNET will also expand support of Vocational Rehabilitation Benefits (CH31) and provide enhancements for			

Table II.B.1 Projects

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost (\$M)
1109130802	VETSNET Release Management - VR15	<p>Personal Funds of Patients (PFOP) and Loan Guaranty(LGY).</p> <p>VETSNET Release 15 will support the final conversion of records from the legacy system to the new modern payment system for benefits: Burial and Accrued Benefit Payments and continue to support the development of web services for internal and external customers as well as the public at large to provide secure online web interfaces (such as eBenefits.va.gov allowing veterans to apply for benefits online).</p>			

Activity Summary

Roll-up of Information Provided in Lowest Level Child Activities

Project ID	Name	Total Cost of Project Activities (\$M)	End Point Schedule Variance (in days)	End Point Schedule Variance (%)	Cost Variance (\$M )	Cost Variance (%)	Total Planned Cost (\$M)	Count of Activities
1010270604	VETSNET Release Management - VR 13							
1010270603	VETSNET Release Management - VR14							
1109130802	VETSNET Release Management - VR15							

Key Deliverables

Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days )	Schedule Variance (%)
1010270604	M: Receive CIO PMAS Approval	PMAS approval to progress project to ACTIVE phase	2011-11-07	2011-11-07	2011-11-07	192	0	0.00%
1010270603	UPM: Receive PMAS	PMAS approval to	2012-01-27	2012-04-13	2012-04-13	116	-77	-66.38%



Key Deliverables								
Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days )	Schedule Variance (%)
	Readiness Executive Decision Memorandum (EDM)	progress project to active status.						
1109130802	UPM: Receive PMAS Readiness Executive Decision Memorandum (EDM) - M/S 1	Receive leadership approval to progress project to active phase.	2012-08-20	2012-08-14		168	-11	-6.55%

## Section C: Operational Data

Table II.C.1 Performance Metrics

Metric Description	Unit of Measure	FEA Performance Measurement Category Mapping	Measurement Condition	Baseline	Target for PY	Actual for PY	Target for CY	Reporting Frequency
Average time (number of days) to notify Treasury to issue veteran's benefit payment once claim has been adjudicated.	number of days	Mission and Business Results - Support Delivery of Services	Under target	3.000000	3.000000	3.000000	1.000000	Quarterly
Percent of claims processed using VETSNET Legacy System.	percentage	Customer Results - Service Coverage	Over target	35.000000	99.000000	99.000000	99.000000	Quarterly
Reduction in % of software logic errors (evinced by help desk ticket documentation)	percentage	Technology - Quality Assurance	Under target	8.500000	3.000000	2.000000	2.000000	Quarterly
Maintain user availability of VETSNET	percentage	Technology - Reliability and Availability	Over target	99.000000	99.000000	99.000000	99.000000	Monthly
Complete the final Compensation and Pension Conversion off the Benefits Delivery Network onto VETSNET	completion	Process and Activities - Management and Innovation	Over target	0.000000	1.000000	1.000000	1.000000	Semi-Annual